

### **III. REMARKS**

#### **Status of the Claims**

Claims 15-19, and 21 are amended. Claims 15-22 are presented for further consideration.

#### **Summary of the Office Action**

Claims 15-22 stand rejected under 35USC102(e) on the basis of the cited reference Chang, et al, U.S. Patent No. 5,884,288. The Examiner is respectfully requested to reconsider his rejection in view of the above amendments and the following remarks.

Applicant submits that the claim rejections under 35USC112 are fully met by the amendments to the claims submitted above.

#### **The Invention**

Independent claims 15, as amended, defines a computer based system for conducting online purchase transactions over the Internet between a merchant and a customer of said merchant. The customer and merchant employ independent links to communicate information to a financial server that receives, stores and processes the account information and transaction information required to process a particular transaction. This is accomplished during the transaction in real time. The cited reference involves only a payment transaction after a purchase transaction is complete. It does not communicate independently with both the customer and the merchant during a purchase transaction. The system of Chang is initiated by instructions from a Payor to issue payment to a Payee and is accomplished by transfer of funds between banks.

## Discussion of the Cited Reference

The Examiner has cited the reference Chang in support of the rejection based on anticipation. In its fully electronic form, the process of payment provided by the reference Chang is best shown in figure 5. The transaction involved is a payment transaction as opposed to the purchase transaction of the system of claim 15. The payment transaction is separate from any purchase transaction and is primarily conducted between banks. There is a communication link via the Internet to a payment server from the payor, the payee is a passive participant that requires no similar communications link. In the abstract of the reference Chang the system is described as follows:

**"A method and system for providing a fully automated electronic bill processing capability that is integrated with banking institutions and their customers is herein disclosed. The electronic bill payment system includes a community of payors, payees, payor banks, and payee banks that are associated with computing systems-that are interconnected by a computer network."**

Clearly this system operates between a bank and its customers and not between a merchant and its customers. Accordingly the teaching of Chang does not support the rejection based on anticipation.

## The Issue of Anticipation

It is well settled that a claim is anticipated, "only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference." (See CHISOLM, Federal Circuit Guide, Pg. 1221).

**"...it must be shown that the reference contains all of the elements of the claims apart from irrelevant or merely extraneous variations, and the elements are arranged in the same way to achieve the same result which is asserted to be an inventive function..." 454 U.S. 1129 (1981)**

The elements of the claim and their function and purpose within the claim must be reviewed in a manner similar to an infringement analysis. If the device described in the cited reference would not infringe if it was later, it will not anticipate if the reference is earlier.

Applying this standard to the system of the reference Chang, it becomes clear that the system of Chang is missing significant elements of independent claim 15. There is no provision for real time communication via the Internet among a financial server, a merchant and a customer of the merchant during a transaction. Claim 15 states:

**"a first communication link via said Internet access server between said merchant host computer and said financial server to enable said merchant to provide information concerning a purchase transaction by said customer to said financial server; and**

**a second communication link via said Internet access server between said customer computer terminal and said financial server to enable said financial server to provide purchase transaction information to said customer and to allow said customer to provide to said financial server an affirmation of the purchase transaction."**

Since these elements form no part of the system of Chang, there would be no infringement, if Chang was later, therefore, the cited reference Chang does not support the rejection by the Examiner based on anticipation.

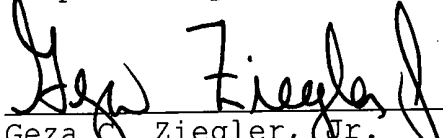
The above arguments are equally applicable to the rejected dependent claims 6-22.

For all of the foregoing reasons, it is respectfully submitted that all of the claims now present in the application are clearly novel and patentable over the prior art of record, and are in proper form for allowance. Accordingly, favorable

reconsideration and allowance is respectfully requested. Should any unresolved issues remain, the Examiner is invited to call Applicants' attorney at the telephone number indicated below.

The Commissioner is hereby authorized to charge payment for any fees associated with this communication or credit any over payment to Deposit Account No. 16-1350.

Respectfully submitted,

  
Geza C. Ziegler, Jr.  
Reg. No. 44,004



14 July 2004  
Date

Perman & Green, LLP  
425 Post Road  
Fairfield, CT 06824  
(203) 259-1800  
Customer No.: 2512

#### CERTIFICATE OF MAILING

I hereby certify that this correspondence is being deposited with the United States Postal Service on the date indicated below as first class mail in an envelope addressed to Mail Stop Amendment, Commissioner of Patents, P.O. Box 1450, Alexandria, VA 22313-1450.

Date: 7/14/04

Signature:

  
Person Making Deposit